



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
ARMY CONTRACTING AGENCY, PACIFIC REGION
BUILDING T-122
FORT SHAFTER, HAWAII 96858-5430

SFCA-PRB-S

07 Dec 2006

MEMORANDUM FOR Army Contracting Agency, Pacific Region, Contracting Activities

SUBJECT: Pacific Region Implementation Memorandum (PRIM) 07-01,
Implementation of the Micro-Purchase Threshold Increase for the Government
Purchase Card (GPC) Program

1. References:

- a. Federal Acquisition Regulation (FAR) Part 2.101
- b. Defense Federal Acquisition Regulation Supplement (DFARS) Part 213
- c. Message, HQ DA, 23 Oct 06, subject: Micro-Purchase Threshold
- d. Memorandum, OUSD, 27 Nov 06, subject: Increase in Convenience Check Dollar Limitation

2. The purpose of this memorandum is to disseminate the Army's *interim* guidance on the implementation of the micro-purchase threshold increase outlined in FAR 2.101, and to provide supplemental guidance for the Pacific Region GPC Program.

3. IAW reference a above, the micro-purchase threshold has been increased from \$2500 to \$3000. However, this is only applicable to supplies and those services that are exempt from the Service Contract Act (SCA). NOTE: See FAR 22.1003-3 and 22.1003-4 for exemptions to the SCA and FAR 22.1003-5 for examples of the types of services covered by the Act.

4. The micro-purchase threshold remains unchanged for construction (\$2000) and services that are applicable to the SCA (\$2500).

5. Guidance from the Army Level II Agency/Organization Program Coordinator (A/OPC), indicates that for a cardholder's (CH's) Single Purchase Limit (SPL) to be raised, the Billing Official (BO) shall request the increase via their supporting Resource Manager (RM) to ensure the funds are available. No blanket increases will be provided by the servicing bank at this time.

6. Level IV A/OPCs shall advise their customers (BOs/CHs) of the new increase to promote its availability and usage, where applicable. NOTE: *As a reminder, DFARS 213.270 indicates the GPC will be used as the method of purchase and/or payment for purchases at or below the micro-purchase threshold unless a general or flag officer, or member of the Senior Executive Service makes a written determination otherwise*

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(DFARS 213.270(b)), or if the purchase meets certain limited criteria (see DFARS 213.270(c)). Ensuring customers are aware of the increase will also assist in reducing the amount of purchase requests received by the RCOs for items that should be purchased via GPC.

7. Level IV A/OPCs shall communicate the procedures outlined in paragraph 5 above to their BOs/CHs. Attached at Enclosure 1 is a locally developed form that may be used by your customers to request subject increase.

8. Once a BO's request for an increase is approved by the RM and received by the A/OPC, the A/OPC will adjust the limits accordingly (e.g., Single Purchase Limit (SPL), monthly, max credit, etc.), and prepare revised delegation of cardholder authority letters for signature by the Chief, RCO, reflecting the new limitations. Revised appointment letters shall clearly state the applicability of the increased limit and advise that if the CH purchases non-exempt services with their card above \$2500 or construction exceeding \$2000, their limits will be decreased and privileges may be revoked.

9. IAW Reference d above, the maximum dollar limit per Convenience Check is increased from \$2,500 to \$3,000. The same procedures outlined above apply to increasing the SPL for Convenience Checks to include issuance of revised delegation of authority letters to check writers. Note: The bank will be issuing new checks preprinted with the increased micro-purchase limit.

10. Level IV A/OPCs shall incorporate these changes into their monthly training programs immediately and update their websites accordingly. Recommend providing clear definitions of supplies, services, and construction in the training slides as well.

11. Points of contact are Kris Orr, 808-438-1962 or Joan Kaimikaua at 808-438-3316.



SHARON N. OISHI
Deputy Director

Encl

**GOVERNMENT PURCHASE CARD (GPC)
LIMIT INCREASE REQUEST FORM**

To be completed by Billing Official, routed through supporting Resource Manager's office, and submitted to local Regional Contracting Office

General Information: *(Please type or print clearly)*

Billing Official Name: _____
(rank, first name, last name) (signature)

Managing Acct No: _____ Company No. _____
(16 digit number) (5 digit number)

Cardholder Name: _____
(rank, first name, last name)

Card Acct No.: _____
(16 digit number)

Command: _____

Unit/Office: _____

Address One: _____

Address Two: _____

City: _____ State: _____ Zip Code: _____

Phone No.: _____ Email (if not on global): _____

Single Purchase Limit Increase to: \$ _____

Note: Max = \$3000 for supplies, \$2500 for services (applicable to the Service Contract Act), \$2000 for construction

Resource Manager's Approval:

(First and last name) (Signature) (Date)

Revised 30-day or cycle limit for CH, if applicable: \$ _____

Revised Max Credit limit for BO, if applicable: \$ _____

(Note: Max Credit limit = Sum of all CH mthly limits multiplied by 3 to reflect a qtrly amount)